

**Illinois Department of Revenue
Regulations**

Title 02 Part 1200 Section 1200.110 Public Information, Rulemaking and Organization
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TITLE 2: REVENUE

**PART 1200
PUBLIC INFORMATION, RULEMAKING AND ORGANIZATION**

Section 1200.110 Private Letter Rulings

- a) Private letter rulings are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. Letter rulings are binding on the Department only as to the taxpayer who is the subject of the request for ruling. Prior rulings are considered in responding to future inquiries with similar fact situations.
 - 1) A request for a private letter ruling must be made by, or on behalf of, an identified taxpayer. A request for ruling may be made by a taxpayer, or by a taxpayer's representative under a power of attorney from that taxpayer. The Department will not issue letter rulings to taxpayer representatives for anonymous or unidentified taxpayers.
 - 2) Taxpayers must make separate requests for ruling by tax type. For example, separate requests for private letter rulings must be made when a taxpayer has issues involving the Retailers' Occupation Tax and related taxes and the Illinois Income Tax. Similarly, separate requests for rulings must be made by a taxpayer for questions concerning an excise tax or other tax administered by the Department.
 - 3) A private letter ruling will not be issued on alternative plans of proposed transactions or hypothetical situations.
 - A) A private letter ruling on behalf of multiple taxpayers will not be issued with two exceptions:
 - i) A request for a private letter ruling from a designated agent of a group of taxpayers filing a composite return under the Illinois Income Tax Act will not be considered a prohibited combined letter ruling request,
 - ii) A member of a unitary group may file a request for letter ruling with reference to issues common to it and other members of the unitary group and the request will not be considered a prohibited combined letter ruling request.
 - B) Private letter rulings will not be issued to business, trade, industrial associations or to similar groups concerning the application of tax laws to

members of the groups. Members of such groups may submit suggestions of general issues that would be appropriately addressed in information bulletins, or may submit general questions to be addressed by the Department in a general information letter. (See Section 1200.120, below)

- C) A private letter ruling will not be issued if, at the time the ruling is requested, the identical issue is involved in the taxpayer's return for an earlier period and that issue is being examined as a part of a Department audit or is pending in litigation in a case involving the taxpayer or a related taxpayer.
 - D) If there is case law or there are regulations dispositive of the subject of the request, the Department will decline to issue a letter ruling on the subject.
 - 4) Whether to issue a private letter ruling in response to a letter ruling request is within the discretion of the Department. The Department will respond to all requests for private letter rulings either by issuance of a ruling or by a letter explaining that the request for ruling will not be honored.
- b) There is certain information that must be included in each request for a private letter ruling:
- 1) A complete statement of the facts and other information pertinent to the request. The request must contain a complete statement of all material facts. The material facts include the identification of all interested parties, a statement of the business reasons for the transaction, and a detailed description of the transaction. The request must contain an analysis of the relation of the material facts to the issues.
 - 2) All contracts, licenses, agreements, instruments or other documents relevant to the request.
 - 3) An identification of the tax period at issue, and disclosure of whether an audit or litigation is pending with the Department.
 - 4) A statement that to the best of the knowledge of both the taxpayer and the taxpayer's representative the Department has not previously ruled on the same or a similar issue for the taxpayer or a predecessor, or whether the taxpayer or any representatives previously submitted the same or a similar issue to the Department but withdrew it before a letter ruling was issued.
 - 5) A statement of authorities supporting the taxpayer's views, an explanation of the grounds for that conclusion and the relevant authorities to support that conclusion.
 - 6) A statement of authorities contrary to the taxpayer's views. Each taxpayer is under an affirmative duty to identify any and all authorities contrary to the taxpayer's views. If the taxpayer determines that there are no authorities

contrary to his or her views, or taxpayer is unable to locate such authority, the request must contain a statement to that effect.

- 7) An identification of any specific trade secret information taxpayer requests be deleted from the publicly disseminated version of the private letter ruling.
 - 8) The signature of the taxpayer or the taxpayer's representative. A taxpayer's representative must also provide a properly executed power of attorney.
- c) The Department will delete certain information from private letter rulings prior to public dissemination. Deletions will include the name and address of the taxpayer and taxpayer's representative, confidential return information and specific trade secret information identified by taxpayers in the ruling request.
 - d) Private letter rulings will cease to bind the Department if there is a pertinent change in statutory law, case law, rules or material facts. In certain rare circumstances, it will be necessary for the Department to specifically revoke a private letter ruling previously issued to a taxpayer. In the case of such a revocation, the taxpayer will incur no liability for any tax, penalty or interest as a result of reliance on the ruling up to the date of the issuance of the revocation of the ruling (See Section 4 of the Taxpayer's Bill of Rights Act (Ill. Rev. Stat. 1991, ch. 120 par. 2304)[20 ILCS 2520/4]
 - e) Beginning July 1, 2002, every letter ruling is revoked on the date that is 10 years after the date of issuance of the ruling or July 1, 2002, whichever is later. No ruling may be cited or relied upon for any purpose after the date of its revocation, and the ruling will cease to bind the Department after the date of revocation. Taxpayers entitled to rely on the opinion contained in a particular letter ruling must apply for a new letter ruling prior to the aforementioned revocation date.
 - f) A cumulative annual index of letter rulings and individual copies of the ruling letters are available for inspection at, and may be purchased from, the Legal Services Bureau, 101 West Jefferson Street 5-500, Springfield, Illinois 62794.
 - g) Requests for a cumulative annual index of ruling letters should be accompanied by a check or money order in the amount of \$3.00, made payable to the Illinois Department of Revenue. A cumulative Income Tax Index for 1981 through 1989 is available in the amount of \$4.00. Ruling letters may be purchased for a minimum of \$1.00 per opinion plus \$.25 per page for each page over one.
 - h) In addition to the cumulative annual index, the Department publishes quarterly, in the Illinois Register, an index of all letter rulings issued by the Department for the previous calendar quarter.

(Source: Amended at 26 Ill. Reg. 5940, effective April 11, 2002)